

VZCZCXRO2406  
PP RUEHFK RUEHKSO RUEHNAG RUEHNH  
DE RUEHKO #0215/01 0280827  
ZNR UUUUU ZZH  
P 280827Z JAN 08  
FM AMEMBASSY TOKYO  
TO RUEHC/SECSTATE WASHDC PRIORITY 1276  
INFO RUEKJCS/SECDEF WASHDC PRIORITY  
RHEHAAA/THE WHITE HOUSE WASHINGTON DC PRIORITY  
RUEAWJA/USDOJ WASHDC PRIORITY  
RULSDMK/USDOT WASHDC PRIORITY  
RUCPDOG/USDOC WASHDC PRIORITY  
RUEAIIA/CIA WASHDC PRIORITY  
RUEKJCS/JOINT STAFF WASHDC//J5//  
RHHMUNA/HQ USPACOM HONOLULU HI  
RHHMHBA/COMPACFLT PEARL HARBOR HI  
RHMFIUU/HQ PACAF HICKAM AFB HI//CC/PA//  
RHMFIUU/USFJ //J5/JO21//  
RUYNAAAC/COMNAVFORJAPAN YOKOSUKA JA  
RUAYJAA/CTF 72  
RUEHNH/AMCONSUL NAHA 8127  
RUEHFK/AMCONSUL FUKUOKA 5731  
RUEHOK/AMCONSUL OSAKA KOBE 9398  
RUEHNAG/AMCONSUL NAGOYA 4380  
RUEHKSO/AMCONSUL SAPPORO 6339  
RUEHBJ/AMEMBASSY BEIJING 1329  
RUEHUL/AMEMBASSY SEOUL 7398  
RUCNDT/USMISSION USUN NEW YORK 8037

UNCLAS SECTION 01 OF 14 TOKYO 000215

SIPDIS

SIPDIS

DEPT FOR E, P, EB, EAP/J, EAP/P, EAP/PD, PA;  
WHITE HOUSE/NSC/NEC; JUSTICE FOR STU CHEMTOB IN ANTI-TRUST DIVISION;  
TREASURY/OASIA/IMI/JAPAN; DEPT PASS USTR/PUBLIC AFFAIRS OFFICE;  
SECDEF FOR JCS-J-5/JAPAN,  
DASD/ISA/EAPR/JAPAN; DEPT PASS ELECTRONICALLY TO USDA  
FAS/ITP FOR SCHROETER; PACOM HONOLULU FOR PUBLIC DIPLOMACY ADVISOR;  
CINCPAC FLT/PA/ COMNAVFORJAPAN/PA.

E.O. 12958: N/A

TAGS: [OIIP](#) [KMDR](#) [KPAO](#) [PGOV](#) [PINR](#) [ECON](#) [ELAB](#) [JA](#)

SUBJECT: DAILY SUMMARY OF JAPANESE PRESS 01/28/08

INDEX:

- (1) "Japan's gasoline is not expensive," Prime Minister Fukuda says, seeking to maintain provisional tax rate (Yomiuri)
- (2) Ruling bloc to submit possibly on Jan. 29 stopgap bill aimed at extending the deadline for provisional tax rate (Nikkei)
- (3) FY2007 supplementary budget bill to clear Lower House on Jan. 29 (Nikkei)
- (4) Lower House by-election to be held in April because of LDP member throwing hat into Iwakuni mayoral race election; Fukuda government to receive judgment of the people (Sankei)
- (5) Local voices on security policy: Iwakuni mayoral election near at hand over acceptance of carrier-borne air wing (Asahi)
- (6) Chief cabinet secretary emphasizes no change in Futenma relocation plan, without being affected by U.S. court's judgment on effect on dugongs (Okinawa Times)
- (7) U.S. military to remove PCB-laden materials next month (Okinawa Times)
- (8) Editorial: International cooperation essential for restoring international trust (Sankei)
- (9) Japan to work together with Southeast Asia on diplomatic and security fronts, with ulterior motive of forestalling China's move

to increase its influence in region (Nikkei)

(10) Threat of "econ terrorist:" Radical anti-whaling group, backed by Australia, New Zealand, targeting Japanese whaling ships (Sankei)

(11) Japanese companies to employ large number of Asian engineers: Nissan to hire 4,000, Toyo Engineering already hired 1,000 to make up for labor shortage in Japan (Nikkei)

#### ARTICLES:

(1) "Japan's gasoline is not expensive," Prime Minister Fukuda says, seeking to maintain provisional tax rate

YOMIURI ONLINE NEWS

January 28, 2008, 13:20 p.m.

At a session this morning of the Lower House Budget Committee, Prime Minister Fukuda noted, "Our country's gasoline price ranks 25th among the Organization for Economic Cooperation and Development (OECD) member nations, and the price is very low. In Europe, the gasoline tax has been hiked out of environmental considerations, but Japan's gasoline price remains the same." "We must definitely maintain that tax (provisional tax rate for gasoline). This tax should be taken as a part of environment-related taxation in a broad sense of the term," Fukuda added and sought understanding for keeping that tax rate.

As for a bill revising the Special Taxation Measures Law, including maintaining the provisional tax rate for gasoline, Fukuda stressed: "It is a key source of revenue. If the bill is not approved (by the

TOKYO 00000215 002 OF 014

end of this fiscal year), there would be an immeasurable impact on the public's livelihood. I earnestly hope the bill will be enacted by the end of this fiscal year. I also have asked for cooperation from the opposition parties."

When asked about his recent attendance at the annual meeting of the World Economic Forum in Davos, Switzerland, Fukuda said: "I demonstrated Japan's attitude of doing what we can (in dealing with the environmental problems). I think this has been understood by other countries."

When asked about how to address the reduction of greenhouse gas emissions at the upcoming G8 summit in July, Fukuda declared, "I will continue efforts to persuade other industrialized countries while taking pragmatic measures step by step. I will ask for the public's cooperation." Fukuda also emphasized the need for the country as a whole to tackle climate change. Fukuda was replying to questions posed by Hiroyuki Sonoda, a member of the ruling Liberal Democratic Party (LDP), and by junior coalition partner New Komeito's Secretary General Kitagawa.

(2) Ruling bloc to submit possibly on Jan. 29 stopgap bill aimed at extending the deadline for provisional tax rate

NIKKEI ONLINE NEWS

January 28, 2008, 13:47 p.m.

The ruling bloc this morning launched an effort to submit a stopgap bill aimed at extending the deadline for the provisional tax rate for gasoline, which is to expire at the end of March, for another two months until the end of May. The stopgap bill will be created in the form of legislation sponsored by lawmakers. The purpose of the bill is to avoid any confusion stemming from the expiration of the existing law. The ruling parties intend to get the bill clear the Lower House by Jan. 31. Meanwhile, the opposition bloc, which insists on scrapping the provisional tax rate, is gearing up to unanimously oppose the submission of the bill. This matter will be discussed at a session this afternoon of secretaries general from both the ruling and opposition parties, but negotiations are likely to face hard going.

The ruling bloc already submitted to the Diet a bill revising the

Special Taxation Measures Law. The bill contains a package of actions to extend the duration of various tax system-related measures, including the provisional tax rate for gasoline. If this revision bill fails to be adopted by the end of March because of intransigence from the Democratic Party of Japan (DPJ) and other opposition parties, the gasoline price would drastically fluctuate with the expiration of the provisional tax rate for gasoline, and ending the preferential taxation system for firms would throw the daily lives of people into confusion, the ruling bloc insists. The stopgap bill the ruling parties plan to submit to the Diet is to avoid such confusion.

The ruling bloc's executives this morning gathered at a Tokyo hotel and discussed how to deal with the opposition bloc. They agreed that they will persuade the opposition parties to cooperate to get the revision bill enacted before the end of this fiscal year, but that if negotiations with the opposition bloc broke down, they would submit the stopgap bill.

(3) FY2007 supplementary budget bill to clear Lower House on Jan.

TOKYO 00000215 003 OF 014

29

NIKKEI (Page 2) (Full)  
January 25, 2008

In a House of Representatives Budget Committee session, Finance Minister Fukushima Nukaga will explain today the reason for the government submitting a bill on the supplementary budget for fiscal 2007, which features measures for disaster relief. The expectation is that the bill will be passed by the House of Representatives on Jan. 29 and it will then clear the House of Councillors by Feb. 1. The possibility is that passage by the Lower House of a bill revising the Special Taxation Measures Law, which includes an extension of the provisional gasoline tax, will be then delayed to February.

Azuma Koshiishi, chairman of the Democratic Party of Japan (DPJ or Minshuto) caucus in the Upper House, revealed yesterday that his party was considering an option of approving a bill revising the Tax Allocation to Local Government Law to cover deficits of local governments, one of the bills related to the FY 2007 supplementary budget. He stated in a press conference: "The problem will not be resolved by just attacking the government's responsibility. We are now mulling as to whether we should approve of some parts of the whole."

Another senior member took the view that it would be difficult to oppose the supplementary budget-related bills. He noted: "It is extremely difficult to show voters the problematical points during a short debate. There will be left the impression that the DPJ is being rough on rural areas."

The DPJ had initially determined to oppose the bills. But prior to the "gasoline battle," regional organizations rebutted the party's policy of abolishing the provisional gasoline tax. Diet Affairs Committee Chairman Kenji Yamaoka is taking a flexible response, saying: "I will have the party look into specific measures giving priority to rural areas and the public."

The DPJ has, however, stressed its opposition toward the ruling camp's bill revising the Special Taxation Measures Law. The party issued on Jan. 23 a notice to its regional chapters across, calling for refraining from taking part in gatherings opposing the party's policy.

The ruling camp, too, has yet to get its act together. Meeting yesterday in his office with Upper House LDP Caucus Chairman Hidehisa Otsuji, Prime Minister Yasuo Fukuda asked him to enact the special taxation revision bill before the end of this fiscal year (March), but he did not give any specific instructions. The expectation is that a Lower House committee will start deliberations on the revision bill on Jan. 24 or later after the supplementary budget bill is enacted, and it will be passed by the Lower House in mid-February at the earliest. Otsuji expressed dissatisfaction,

telling his aides: "I don't understand at all the strategy of Prime Minister's Official Residence." One idea in the LDP is to draft a bill extending the provisional tax rates, which expire on March 31, until July. In the meeting with Otsuji, Fukuda did not deny the possibility of extending the law, telling Otsuji: "As to legislation by house members, the cabinet can't say anything." But many in the ruling coalition are cautious about such an idea.

TOKYO 00000215 004 OF 014

LDP Diet Affairs Committee Chairman Tadamori Oshima yesterday proposed to the DPJ that a meeting of Diet committee chiefs from the ruling and opposition parties be held to discuss the handling of the special taxation law revision bill. The DPJ's Yamaoka, however, rejected the proposal, arguing: "It is too early to do so." The Machimura faction in the LDP, to which Fukuda used to belong, compiled yesterday a set of proposals for reviewing the rules for managing Diet affairs. However, chances are slim that it will lead to breaking the impasse.

Fukuda, as if to say to himself, told Seiken Sugiura, who brought the set of proposals to him: "Even the DPJ will understand that we should not hinder the daily lives of people."

(4) Lower House by-election to be held in April because of LDP member throwing hat into Iwakuni mayoral race election; Fukuda government to receive judgment of the people

SANKEI (Page 5) (Full)  
January 28, 2008

Along with yesterday's Osaka gubernatorial election, the Feb. 10 mayoral race in Iwakuni City in Yamaguchi Prefecture is likely becoming another cause for concern for the government of Prime Minister Yasuo Fukuda. The official campaign period for the Iwakuni mayoralty starts Feb. 3. The main campaign issue is likely to be the city's response to the central government's plan to transfer carrier-borne aircraft to the U.S. Marine Corps Air Station Iwakuni from the U.S. Naval Air Facility Atsugi, one of the main features of the realignment of U.S. based in Japan. Since a House of Representatives member belonging to the ruling Liberal Democratic Party (LDP) has filed as a candidate in the race, a by-election for the Yamaguchi No. 2 district to fill the vacated Lower House seat will be held in April, becoming the first national election the Fukuda government will experience. All the more because the outcome of the Iwakuni mayoral race will affect the Lower House by-election, all eyes are focused on the local election.

With the popular Korean drama "Winter Sonata" in mind, former Mayor Katsusuke Ihara, 57, appeared in a gathering on Jan. 24, wearing a yellow scarf, which has become his campaign trademark. Middle-aged women are enthusiastically supporting Ihara, who quit the mayoral post late last year over his opposition to the transfer of the U.S. aircraft to a base in the city.

In the gathering, Ihara criticized Yoshihiko Fukuda, former Lower House member of the LDP, his rival candidate, saying:

"The primary issue for the upcoming election is how to deal with the U.S. base issue. The other candidate is trying to shift the campaign issue by fueling fears of the city's financial collapse and of tax hikes."

The other candidate, Fukuda (37), who resigned his Diet seat on Jan. 22, has not brought the base issue into his campaign. Although he favors the transfer of carrier-borne aircraft to Iwakuni, he is calling for the need for putting an end to the city's financial difficulties created by Ihara during his 9-year tenure as mayor, rather than bringing up the base issue.

Ihara also has mixed feelings. At a press conference on Jan. 4 announcing his candidacy, Ihara categorically stated: "The campaign

TOKYO 00000215 005 OF 014

issues do not just mean the realignment of U.S. bases in Japan."  
Both candidates are well aware of the city's circumstances.

At a wholesale market in the early morning of Jan. 24, one worker gave words of encouragement to Fukuda: "The carrier-borne aircraft is not the only issue. Since you are young, you should make even more efforts." Many residents in Iwakuni have expressed concern about Ihara, who has taken an even stronger adversarial stance toward the central government, set off by the carrier-born aircraft transfer issue.

Those supporting Fukuda, who announced his candidacy on Jan. 5, are conservative city assembly members and business leaders who are concerned about the present municipal administration. Many shops in the downtown streets have closed. Even U.S. military personnel go to the downtown areas of Hiroshima and other cities.

Anti-Ihara movements escalated in the city assembly and local business circles in March 2006 when Ihara held a referendum on the carrier-born aircraft transfer issue. Backed by nearly 90 PERCENT of the public who voted against the transfer, he did not accept the government's plan and the government then suspended subsidies totaling 3.5 billion yen for the construction of a new city hall. The municipal assembly, many members of which favor the government's transfer plan, last year rejected four times a budget bill submitted by then Mayor Ihara bill to cover the 3.5 billion yen by other fiscal resources. The city assembly finally approved the bill in return for Ihara's resignation last December.

Supporters for the candidate Fukuda are alarmed that the municipal administration led by Ihara, who has adamantly refused to accept the government's plan, has created an economic standstill. Ihara, however, said:

"I neither call for the removal of the base nor do I reject discussions. The problem is the government's arrogant way of unilaterally pushing ahead with its plan by resorting to a carrot-and-stick policy."

A senior member of Fukuda's election task force predicts that if Ihara is elected, he will take a tougher stance, backed by the public will.

The Lower House by-election (on April 27) for the Yamaguchi No. 2 district to fill Yoshihiko Fukuda's seat will be the first national election for the Fukuda government. Since the election will be conducted after a fierce battle between the ruling and opposition camps over the provisional gasoline tax rate ends, the by-election will likely have the air of a judgment by the people.

Yamaguchi Prefecture is known for having such conservative lawmakers as former Prime Minister Shinzo Abe (representing the No. 4 district) and Foreign Minister Masahiko Koumura (No. 1 district). The No. 2 district, however, is an exception. Yoshihiko Fukuda won by a narrow margin in the 2005 Lower House election by taking advantage of the Koizumi boom. In the two previous elections, Hideo Hiraoka of the main opposition Democratic Party of Japan (DPJ or Minshuto) won the No. 2 district seat, defeating Shinji Sato, son of former Prime Minister Eisaku Sato.

On hearing the announcement of the Lower House by-election, Hiraoka on Jan. 5 expressed his intention to run in the race. He said: "The

TOKYO 00000215 006 OF 014

outcome of the mayoral election will affect the Lower House by-election more or less." He predicts that if Ihara wins the mayoral election, the wind will blow favorably for him in the Lower House by-election. It is said in the LDP that Upper House member Yoshimasa Hayashi has strong interest in the Lower House by-election. However, Hayashi will likely make a decision after seeing the result of the mayoral election.

(5) Local voices on security policy: Iwakuni mayoral election near at hand over acceptance of carrier-borne air wing

ASAHI (Page 3) (Excerpts)

January 26, 2008

The official campaign for the mayoral race of Iwakuni, Yamaguchi Prefecture, will kick off on February 3 for the election on February 10. At issue is the relocation of a carrier-based air wing to the Iwakuni base as part of U.S. force realignment. The Ministry of Defense (MOD) has frozen subsidies to the city led by former mayor Katsutoshi Ihara who had been elected on the back of a referendum in which nearly 90 PERCENT of the citizens opposed the plan to relocate U.S. fighter jets. Is a municipality allowed to say 'no' to foreign and defense policies under the jurisdiction of the central government?

#### Nago -- Futenma relocation

The Okinawa prefectural government has been at odds over the last 10 years with the Nago municipal government over the planned relocation of the U.S. Marine Corps' Futenma Air Station that sits in densely populated residential areas.

Waters off Henoko Cape in Nago came to the fore in 1997 as a relocation site for Futenma Air Station. The city held a referendum, in which a majority opposed the relocation. Despite that, then Nago Mayor Tetsuya Higa announced that the city would accept the relocation, and he stepped down.

What is distinct from Iwakuni is that Tateo Kishimoto, who was backed by pro-relocation groups, won the mayoral race after the referendum, in which the majority said 'no' to the relocation.

After many twists and turns, the government and affected municipalities reached an accord on the offshore plan, but it did not materialize due to stiff resistance from local residents. In 2006, MOD reached an agreement with Kishimoto's successor, Yoshikazu Shimabukuro, to build a V-shaped pair of runways so that the envisioned flight path would not pass over residential areas. But then Governor Keiichi Inamine reacted negatively to the V-shape plan, saying it was worked out behind the back of the prefectural government. Shimabukuro subsequently presented a plan to move the V-shaped runways further offshore, but Tokyo balked at it. With Governor Hirokazu Nakaima, who replaced Inamine, siding with Nago, relocation talks remain stalled.

Why can the central government not steamroller the relocation plan irrespective of Okinawa's wishes? The reason is because the governor has the power to authorize landfill work for building the facility. The government plans to begin an environmental assessment in February to complete it by the summer of 2009. "(The governor) might say 'no' thereafter," Vice Governor Zenki Nakazato noted.

TOKYO 00000215 007 OF 014

Iwakuni cannot expect Yamaguchi Governor Sekinari Nii to exercise such power, for he is tolerant of the relocation.

The government once studied ways to shift the power to authorize the use of the surface of public waters from prefectural governors to the central government.

In 1995, then Okinawa Governor Masahide Ota refused to sign documents as a proxy for the antiwar landlords who were unwilling to renew their leases with the U.S. military. The government eventually revised the law and shifted such authority to the central government.

#### Zushi -- Ikego housing project

In 1982, a plan emerged to build U.S. military housing in a wooded area in Ikego in the city of Zushi, Kanagawa Prefecture, which was previously used as an ammunition dept. Then Mayor Torayoshi Mishima announced to accept the housing plan, saying it was beyond a local government's authority. In reaction, anti-housing residents demanded Mishima's recall and he was eventually ousted. The city installed Kiichiro Tomino as its new mayor.

The anti-housing group also won the following three mayoral races.

As is Iwakuni's case, the mayor was at odds with the city assembly that was controlled by members tolerant of the housing project, who voted down the supplementary budget. The mayor eventually dissolved the assembly. The anti-housing group won a majority four years later.

Still, the government pushed ahead with the housing plan, saying opposition was not overwhelming. Tomino's successor, Mitsuyo Sawa, accepted the plan in the end, but she also extracted a promise from the government to preserve the remaining woods.

A new U.S. military housing project is underway in the woods on the Yokohama side. "If it were not for the preservation movement, there wouldn't have any trees left there," Sawa recalled.

Iwakuni's Ihara is eying a victory under the banner of "new popular will."

Ihara also envisages dissolving the city assembly that is now controlled by proponents of the relocation plan.

When Tomino became Zushi mayor, the city's rate of independent revenue sources stood at 80 PERCENT . "The city did not have to rely on government subsidies," Tomino recalled. Meanwhile, Iwakuni's independent revenue rate in fiscal 2006 was only 40 PERCENT . It is not easy for Iwakuni to continue enduring the government's financial squeeze.

The government's carrot-and-stick policy breaks solidarity among local governments

In order to counter the central government, local governments must remain united. But ever since the central government adopted last year a U.S. force realignment subsidy system that can be used as a carrot or stick, schisms have appeared among local governments.

In 2006, Yoshiro Iriyama was elected mayor of the city of Otake, Hiroshima Prefecture, pledging to oppose the carrier-borne air

TOKYO 00000215 008 OF 014

wing's relocation to the Iwakuni base. Six months later, he reversed his position and announced to support the plan, saying cooperating with the central government would serve the interests of the citizens. Subsidies reportedly total 4 billion yen are appealing. The city of Otake, which hosts no base, was irritated that it had no tool to fight back.

At one point, municipalities, including Otake, that sit in the western part of Hiroshima adjacent to Iwakuni, joined efforts in seeking anti-relocation resolutions of the Hiroshima and Yamaguchi prefectural assemblies. Those days are over.

Comment by Yamaguchi University Professor Atsushi Koketsu: A shift is occurring from centralization to decentralization. It is natural for local heads to make requests to the central government on behalf of local residents. At the same time, there is a need to produce a level playing field for both the anti- and pro-relocation groups by presenting a mid-range vision, including ways to make local economies independent of bases and subsidies. As long as municipalities are swayed between accepting and rejecting relocation plans, neither the central government nor local governments will lend an ear to them.

(6) Chief cabinet secretary emphasizes no change in Futenma relocation plan, without being affected by U.S. court's judgment on effect on dugongs

OKINAWA TIMES (Page 2) (Full)  
January 26, 2008

(Tokyo)

The U.S. District Court in San Francisco handed down a judgment that ordered the Department of Defense to give consideration so that the planned construction of a new facility to take over the functions of the U.S. Marine Corps' Futenma Air Station will have no impact on

the dugongs. Following this announcement, Chief Cabinet Secretary Nobutaka Machimura emphasized in a press conference yesterday that the government will not change the Futenma relocation plan agreed on between Japan and the U.S.

Machimura indicated that the planned construction of a V-shaped pair of runways will have only a light influence on the environment, remarking: "Both side worked out the plan as a result of giving consideration to minimize the impact on coral, seagrasses, and dugongs." Machimura added:

"(The government) is assessing what impact the construction plan will have on the environment. Japan's main policy is that while fully giving consideration to natural conservation, the government will push ahead with the construction work as soon as possible, in order to reduce its burden and maintain its deterrence capability."

Keeping in mind a request in the U.S. District Court's ruling for a report on the environmental impact assessment to be submitted within 90 days to the court, Machimura stated: "The issue is still under dispute. A judgment on the propriety of the construction plan has yet to be made and remains on hold."

The Defense Ministry, which has jurisdiction over the relocation work, has taken the U.S. court's judgment coolly. Spokesman Katashi Toyota commented in a regular press conference yesterday: "We will

TOKYO 00000215 009 OF 014

continue to closely watch the course of the trial." Adding: "We will proceed with the work without making a fuss," he indicated that the ministry will take a wait-and-see attitude.

(7) U.S. military to remove PCB-laden materials next month

OKINAWA TIMES (Page 1) (Full)  
January 26, 2008

TOKYO—U.S. Forces Japan has told the Japanese government that the U.S. military would ship its base storage of Japanese-made materials containing polychlorinated biphenyl (PCB) to the U.S. mainland from Honshu late this month and from Okinawa in February, sources said yesterday.

The U.S. military will ship approximately 50 tons of PCB-laden materials from Honshu, according to the Foreign Ministry. When it comes to Okinawa, however, USFJ has not revealed anything in detail about how much and when to ship. The U.S. military does not comment on any specifics for security and other reasons, Foreign Ministry sources say.

The U.S. Toxic Substances Control Act restricts the United States from importing foreign-made PCB-containing materials. However, the U.S. Environmental Protection Agency has established an exceptional period to allow such imports from Jan. 7 this year through Jan. 9 next year, according to the Foreign Ministry's Status of U.S. Forces Agreement Division.

In Japan, facilities that are capable of processing PCB-containing materials are limited. The U.S. military will therefore send them to the United States within this period. The period lasts until next year, so the U.S. military will likely ship PCB-containing materials in and after February.

USFJ has told the Japanese government that the U.S. military would take appropriate environmental measures when storing and shipping PCB-containing materials. The Foreign Ministry's Status of U.S. Forces Agreement Division repeatedly requested USFJ to consider safety. After that, the Foreign Ministry informed Okinawa Prefecture and other local governments yesterday evening of the U.S. military's report.

In the past, the U.S. military shipped PCB-containing materials twice from Okinawa Prefecture. The first shipping was on Aug. 15, 2003 and the second shipping on July 10, 2004, according to the Foreign Ministry.



(8) Editorial: International cooperation essential for restoring international trust

SANKEI (Page 2) (Full)  
January 25, 2008

The Maritime Self-Defense Force destroyer Murasame left the Yokosuka base yesterday in order to rejoin the international antiterrorism operation in the Indian Ocean. The supply ship Oumi will leave the Sasebo base today to join the Murasame in order to resume the refueling operation in mid-February.

Japan dropped out of the international operation last November. In his send-off speech, Defense Minister Shigeru Ishiba said: "I want

TOKYO 00000215 010 OF 014

each of you to accomplish a perfect mission with high morale." In order to restore international trust in Japan, we would like to see the MSDF troops devote themselves to refueling vessels of the U.S.-led coalition forces.

Multinational naval activities include more than the maritime interdiction operations to block the shipping of drugs and weapons by Al Qaeda members. They are ensuring the security of sea lanes that are vital for Japan, which depends on the Middle East for more than 90 PERCENT of its crude oil imports. A chemical tanker owned by a Tokyo shipping firm was seajacked by pirates last October. However, multinational naval forces chased the pirates and rescued the tanker.

The MSDF withdrawal has significantly reduced the activity time of the multinational forces. The MSDF's dropout for domestic reasons has generated the impression that Japan will not work together with other countries.

Such a situation must not be repeated. The new Antiterrorism Special Measures Law, which provides the legal basis for the refueling operation, expires next January.

The focus is, after all, on the enactment of permanent legislation governing the overseas dispatch of the SDF. In his policy speech, Prime Minister Yasuo Fukuda indicated that he would study a general law with the aim of conducting international peace cooperation activities swiftly and effectively.

In the previous extra Diet session, the major opposition Democratic Party of Japan (DPJ or Minshuto) submitted Afghanistan special measures legislation specifying the need for a permanent law. Although the legislation has been carried over to the current session, it could serve as the basis for a permanent law.

What deserves attention is a draft plan for international peace cooperation legislation, compiled by Ishiba when he was chair of the LDP defense policy subcommittee. This Ishiba plan preconditions the SDF's overseas dispatch on a UN resolution. In addition, it also says Japan will send SDF troops to a foreign country at that country's request or if the government recognizes the need to do so.

In contrast, DPJ President Ichiro Ozawa's argument on SDF dispatch is based only on a UN resolution. It might end up leaving Japan's sovereignty to China and Russia that have veto power at the UN Security Council and eventually damaging Japan's national interests.

Seiji Saeki, commander of MSDF Escort Division 1 who commands the two MSDF vessels bound for the Indian Ocean, said at the send-off ceremony: "Although some said we are violating the Constitution, we have pride and dignity." This shows that Japan needs to send the MSDF troops.

(9) Japan to work together with Southeast Asia on diplomatic and security fronts, with ulterior motive of forestalling China's move to increase its influence in region

NIKKEI (Page 2) (Full)

January 28, 2008

TOKYO 00000215 011 OF 014

The government has launched an effort to strengthen ties with Southeast Asian countries in the areas of foreign and security affairs. Japan wants to obtain cooperation from those countries to deal with such diplomatic challenges as the North Korea issue and the reform of the United Nations. Japan also wants to keep its shipping lanes secure from a long-term perspective. In addition, Japan seems to have been motivated by a desire to forestall China, which is rapidly expanding its influence in Southeast Asia. Against this background, the heated rivalry between the two countries is likely to pick up momentum down the road.

Vice Defense Minister Kohei Masuda visited Malaysia on Jan. 22-23 for talks with officials about how to step up defense exchanges with members of the Association of Southeast Asian Nations (ASEAN).

In last November, Defense Minister Teo Chee Hean of Singapore, the host country of ASEAN at the time, visited Japan. He and Defense Minister Shigeru Ishiba agreed to strengthen ties between Japan and ASEAN.

In the late 1990s, a full defense exchange began between Japan and ASEAN countries. Japan established defense talks at the bureau-director or vice-minister level, starting with Singapore in 1997, followed by Thailand, Indonesia, Malaysia, Vietnam, and the Philippines in succession.

In most ASEAN countries, the military holds power as seen in Indonesia and Vietnam. In order to build contacts with the central authority in each country, "Japan will need to strengthen relations with national defense authorities," a Ministry of Defense (MOD) official said.

Japan's recent move is increasingly taking on an aspect of countering the Chinese military, which have been continuing arms buildup. In last September, Japan for the first time took part in the joint multinational Malabar exercises with the United States, Australia, India, and Singapore in the sea area near the Bay of Bengal. This participation would help Japan to reinforce team efforts with the U.S. and coastal countries along the Indian Ocean and to contain the Chinese military's move toward advancing southward.

A next step being discussed in MOD to strengthen cooperation with ASEAN is to hold ministerial talks on a periodical basis. MOD intends to go into action to realize Japan's participation in 2010 in ASEAN's Defense Ministers' Meeting (ADMM), a panel launched in 2006 by ASEAN. If this were realized, ADMM will be the first ministerial framework for Japan and ASEAN.

ADMM held its first session in Kuala Lumpur in May 2006. What was discussed there included marine security, for instance, the Strait of Malacca, measures to deal with terrorism, and the Korean Peninsula situation. The ASEAN region sits on an important part of Japan's sea lanes as a senior MOD official noted: "Continuing security dialogue and building confidence with ASEAN will serve national interests."

On the diplomatic front, Japan hosted the first round of Japan-Mekong Foreign Ministers' meeting in Tokyo on this past Jan. 16 with five Southeast Asian countries in the Mekong River area, such as Vietnam and Laos. The objective is to try to enhance contacts with countries in the area, to which China is intensifying

TOKYO 00000215 012 OF 014

its diplomatic offensive, by using economic assistance as a diplomatic tool.

As the first step in this regard, Foreign Minister Masahiko Koumura declared Japan will provide a total of 40 million dollars (or 4.3 billion yen) in grant aid as measures to deal with poverty. Koumura

also promised to accept 10,000 or so students and trainees from countries in the region for five years starting in 2008. Many Southeast Asian countries have established diplomatic ties with North Korea, so the Ministry of Foreign Affairs expressed hopes that building up a network of connections in each country is of great help for Japan to resolve the abduction issue and advance the reform of the U.N.

(10) Threat of "econ terrorist:" Radical anti-whaling group, backed by Australia, New Zealand, targeting Japanese whaling ships

SANKEI (Top Play) (Excerpts)  
January 28, 2008/01/28

Moves by a Japanese whaling ship, which is operating in the Southern Ocean to research the ecology of whales, have been reported across the world almost every day. Two environment-protection groups chasing the Japanese ship have posted on the Internet videos showing their activities aimed to obstruct the ship's operations, in an effort to appeal their objections to whaling and Japan's whaling culture. This development has negatively affected Japan's relations with Australia and New Zealand, both of which are anti-whaling countries. A new cause for anxiety is dogging security for the Lake Toya Summit in Hokkaido this year.

On Jan. 15, two Sea Shepherd anti-whaling activities boarded the Japanese whaling ship Yushin Maru No.2. The two threw a bottle of smelly fluid on deck and attempted to tie a rope around the ship's propeller.

When they were detained, the two even demanded for tempura, or Japanese deep-fried food, and the crew responded to this. SS Captain Paul Watson called the Japanese whaling vessel "a group of terrorists who took hostage." Later, it was found that the captain had aimed to keep the two on board the ship and to halt its whaling operation.

He posted on the Internet his statement reading: "It is our goal to escalate the collision. The Japanese were quite taken in. We were able to underscore the illegality of Japan's whaling operations to the international community."

Sea Shepherd has carried out radical activities across the world. The U.S. Federal Bureau of Investigation labels it as "eco terrorist."

Why has Sea Shepherd resorted to violence? To this question, Research Department Deputy Head Ishikawa of the Institute of Cetacean Research, which has dispatched Japan's whaling research ships, gave these replied: (1) On the high seas, there is no possibility that its activists will be arrested by Japanese police; (2) its activities have been supported by New Zealand and Australia, both of which take tough anti-whaling policy measures; and (3) the group has collected donations from people and companies in the two countries.

TOKYO 00000215 013 OF 014

Special precautions for G-8 summit

The protest boats of Greenpeace and Sea Shepherd are expected to soon leave the Yushin Maru No.2 because of running out of fuel, and the two-week-long battle in the Southern Sea is now likely to calm down.

For Japan, though, there is a new cause for apprehension, that is, security for the upcoming G-8 Summit in Japan this year.

In recent summits, environment-protection groups calling for anti-globalism collided with police units, carrying out violent sabotage. Japan is a perfect place for those against whaling to underscore their stance to the world. Given this, there is fear that protest activities may intensified on the occasion of the G-8 Summit here.

The National Police Agency reportedly is collecting information of

activists across the nation, in preparation for the Lake Toya Summit. The Hyogo Prefectural Police Headquarters, which will engage in guarding the venue for the environment ministerial conference in Kobe in late May, has paid attention to the subversive activities against the whaling research ship this time. A person responsible for guarding commented: "We must keep guard against Sea Shepherd from the comprehensive point of view - from land, sea and air - on the alert for protest from the sea."

(11) Japanese companies to employ large number of Asian engineers: Nissan to hire 4,000, Toyo Engineering already hired 1,000 to make up for labor shortage in Japan

NIKKEI (Top Play) (Full)  
January 28, 2008

Auto and machinery manufacturers plan to employ a large number of engineers in newly emerging Asian countries. Nissan Motors plans to hire 4,000 in India and Vietnam over the next three years, doubling the ratio of foreign engineers to approximately 40 PERCENT . Toyo Engineering has increased engineering designers by 1,000 in India. Their aim is to cope with the domestic shortage of engineers caused by the retirement of baby-boomers and the declining birthrate and to utilize abundant human resources available in newly emerging countries not only for the manufacturing sector but also for brainwork.

Nissan at the moment employs about 20,000 engineers, of whom about 20 PERCENT are foreigners employed mainly in Europe and the U.S. It plans to secure approximately 300 engineers in February in India and launch its first development center in that nation. The center will be responsible for developing auto bodies and parts used and sold locally. Part of software development will also be transferred from Japan. It wants to increase local hires to 2,000 to 3,000 by the early 2010s.

In Vietnam, Nissan wants to increase engineers from the current 600 to 2,000 over three years. In Mexico, it plans to increase engineers from the current 300 or so to around 1,000. Locally hired engineers will be responsible for developing software and computer-assisted design.

The IT sector, which has chronically suffered from a shortage of software developers, has led the way in employing engineers in India

TOKYO 00000215 014 OF 014

and China. This trend has now begun spreading into the manufacturing industry.

Toyo Engineering had about 800 plant design engineers at its Indian plant, but it boosted the number to about 1,800 by the end of last year. IHI has already established a ship design company in Vietnam for the first time abroad. It will transfer part of its design section for commercial ships to be build in Japan. Miyazu Global Press Die Co., located in Oizumi Town, Gunma Prefecture, will increase engineers at its Indian engineering design company to about 50, 2.5 times the present number, within five years. About 50 PERCENT of the company's design operations will be carried out at its Indian company.

Those companies are rushing to secure engineers because baby boomers, who have been out in the forefront of technical development, began to hit retirement age last year. In addition, it has become difficult to secure new graduates in Japan because students are moving away from science and technology. They are positive about employing locals in countries with a high education level and where wages are less than 50 PERCENT thos of Japan's. They are aiming at improving development of strategic products targeting growing markets, centered on newly emerging countries. Their Japanese plants will specialize in the development of core technologies for the division of labor between domestic and overseas plants.

According to a survey carried out by the Ministry of Economy, Trade and Industry, Japanese manufacturers employed approximately 1.3 million personnel abroad at the end of 1996. They have hired more

than 3.2 million personnel abroad as of the end of 2007, of whom those hired in Asia account for about 70 PERCENT . Foreign personnel have thus far been hired mainly through local plants. Japanese companies' Asian strategies will enter a new state, as they are now beginning to employ foreign people for development, as well.

With leading U.S. and European companies also trying to employ engineers in developing countries, the talent war will likely become fierce. Chances are that Japanese companies might be unable to secure personnel as planned or that the cost of employing locals and training them may rise.

SCHIEFFER